



United States Department of Agriculture  
Rural Development

Rural Business-Cooperative Service • Rural Housing Service • Rural Utilities Service  
Washington, DC 20250

October 14, 2003

SUBJECT: Notice of Stockholders' Meeting

TO: Rural Telephone Bank Stockholders

FROM: Hilda Gay Legg  
Governor  
Rural Telephone Bank

The Rural Telephone Bank (RTB) will hold its Stockholders' Meeting on November 14, 2003, at the U.S. Department of Agriculture (USDA) in Washington, D.C. The purpose of the meeting is to hear reports from officers of the RTB and transact such other business as may properly come before the meeting. A copy of the proposed meeting agenda is enclosed. Any additional agenda items should be submitted to Assistant Governor Roberta D. Purcell by October 27, 2003, fax number (202) 720-0810, email [bpurcell@rus.usda.gov](mailto:bpurcell@rus.usda.gov). The final agenda will be published in the Federal Register and available on the RTB's web site (see address below) approximately fourteen days before the Stockholders' Meeting.

This is a very important meeting and will present an opportunity for stockholders to exercise their rights as stockholders of the RTB and participate in the discussion of many important issues facing the RTB and its customers. One of the most important issues facing the RTB today is privatization. As you are aware, at the February 14, 2003, meeting of the Board of Directors of the RTB, Science Applications International Corporation, Inc., presented the results of its year-long RTB Privatization Study. The study was commissioned by the Rural Utilities Service to provide the Board of Directors with a roadmap to be used as it continues to explore the ongoing process of privatization. (Under existing legislation, privatization began in 1996 with the first retirement of the RTB's Class A stock.) This study is intended to assist the Board of Directors in determining the best course of action for all involved – shareholders, rural residents, taxpayers, and the Federal Government. The study may be viewed or downloaded, in its entirety, from the RTB's web site at the following address:

**[http://www.usda.gov/rus/telecom/rtb/index\\_rtb.htm](http://www.usda.gov/rus/telecom/rtb/index_rtb.htm)**

The Stockholders meeting will present you with the opportunity to learn more about privatization and present your views on this important matter.

Stockholders may exercise their right to vote by designating a Voting Representative or Proxy. To designate a Voting Representative, please complete the enclosed form and present it to the registrar on the day of the Stockholders' Meeting. If you are entitled to vote and unable to attend the meeting in person, you may appoint a Proxy. Please note that in order for your vote to count, the organization you name as your proxy must be a voting stockholder of the RTB and must be present at the Stockholders' Meeting.

Following is a list of the member-elected directors should you choose to direct your proxy to one of the directors representing your industry segment:

Representing Cooperative - Type Stockholders

**David Crothers**

Executive Vice President & General Manager  
North Dakota Association of Telephone Cooperatives  
3201 Nygren Drive, NW  
P.O. Box 1144  
Mandan, North Dakota 58554-1144  
Telephone: (701) 663-1099      Telefax: (701) 663-0707

**John A. McAllister**

President  
West Carolina Rural Telephone Cooperative, Inc.  
100 Main Street  
P.O. Box 230  
Mt. Carmel, South Carolina 29840-0230  
Telephone: (864) 391-2121      Telefax: (864) 391-2123

**Larry E. Sevier**

CEO  
Rural Telephone Service Company, Inc.  
145 North Main  
P.O. Box 158  
Lenora, Kansas 67645-0158  
Telephone: (785) 567-4281      Telefax: (785) 567-4401

Representing Commercial - Type Stockholders

**John T. Dillard**

President & General Manager  
Monroe Telephone Company  
575 Commercial Street  
Monroe, Oregon 97456  
Telephone: (541) 847-5135      Telefax: (541) 847-9997

**S. Michael Jensen**

CEO  
Great Plains Communications, Inc.  
1600 Great Plains Centre  
P.O. Box 500  
Blair, Nebraska 68008-0500  
Telephone: (402) 426-9511      Telefax: (402) 426-6474

**Curtis A. Sampson**

Chairman & CEO  
Hector Communications Corporation  
213 South Main Street  
Hector, Minnesota 55342-0777  
Telephone: (320) 848-6231      Telefax: (320) 848-2702

**YOUR VOTE IS IMPORTANT.** Stockholders are strongly urged to attend the Stockholders' Meeting or designate a Proxy so that your vote is counted, and, that the quorum requirement (100 stockholders present in person or represented by proxy) can be satisfied.

Stockholders are kindly requested to arrive in advance with respect to the time at which the Stockholders' Meeting is due to start, to allow for admission procedures. The staff of the RTB is available for any further information stockholders may need at the following numbers: telephone (202) 720-9556 fax (202) 720-0810.

**DATE AND TIME:** Friday, November 14, 2003, at 9:00 a.m.  
A regular meeting of the Board of Directors will be held directly after the Stockholders' Meeting

**LOCATION:** Jefferson Auditorium, South Building, USDA  
1400 Independence Avenue, S.W., Washington, D.C.

**REGISTRATION:** Between 8:00 - 9:00 a.m. at the entrance to the Jefferson Auditorium, and the day before, November 13, between 1:00 - 3:30 p.m. in Room 5141, South Building, USDA

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Enclosures



## **Stockholders' Meeting November 14, 2003**

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### **Proposed Agenda:**

1. Call to order.
2. Establishment of a quorum.
3. Action on Minutes of the August 17, 2001, stockholders' meeting.
4. Secretary's report on loans approved.
5. Treasurer's report.
6. Privatization update, discussion, and presentations.
7. New business.
8. Adjournment.

## **Board of Directors Meeting November 14, 2003**

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### **Proposed Agenda:**

1. Call to order.
2. Action on Minutes of the August 19, 2003, board meeting.
3. Adjournment.

In addition to the above meetings, a Staff Briefing for the Board of Directors is scheduled for Thursday, November 13, 2003, at 2:00 p.m. in Conference Room 104-A, Whitten Building, USDA. All meetings are open to the public.

An electronic version of the final agenda will be available on the Bank's web site ([http://www.usda.gov/rus/telecom/rtb/index\\_rtb.htm](http://www.usda.gov/rus/telecom/rtb/index_rtb.htm)) approximately fourteen days before the Stockholders' Meeting.

**Name and Address of Stockholder**

**Part A. ATTENDING Stockholders' Meeting - Instructions for Completing Voting Representative Certification Form**

If you plan to attend the Stockholders' Meeting in person, simply fill out the Voting Representative Certification Form and bring it with you to the meeting. Any director, manager, or employee of your organization attending the Stockholders' Meeting may serve as your organization's voting representative (*Bank Bylaws sec. 3.7(a)*).

**Part B. NOT ATTENDING Stockholders' Meeting - Instructions for Completing Proxy Designation Form**

If you will not be able to attend the Stockholders' Meeting, complete the Proxy Designation Form instead of Part A. Please note that in order for your vote to count, the proxy holder must be a voting stockholder from your industry segment (cooperative or commercial) and must be present at the Stockholders' Meeting. Mail or fax the completed and signed Proxy Form to the organization you name as proxy. You have the right to revoke your proxy at any time prior to the beginning of the Stockholders' Meeting (*Bank Bylaws sec. 3.6*).

**Complete either Part A or Part B -- Not both Parts**

**Part A - Voting Representative Certification Form**

This certifies that (type or print the name of your Voting Representative)

a (check one) \_\_\_\_\_ Director \_\_\_\_\_ Manager \_\_\_\_\_ Employee of the organization named above, is duly authorized to cast the vote of this entity or organization, in person or by proxy, at the Rural Telephone Bank Stockholders' Meeting in Washington, D.C., on November 14, 2003, or any adjournment thereof.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of CEO, President, or Vice President

*Not valid unless signed*

\_\_\_\_\_  
Type or print the above-named authorizing official

**Part B - Proxy Designation Form**

As Voting Representative of the organization named above (the Granting Entity), I hereby appoint:

\_\_\_\_\_  
Type or print the name of the organization you appoint as proxy (the "Proxy Holder")

\_\_\_\_\_  
Address of Proxy Holder

\_\_\_\_\_  
RUS Borrower Designation (if any) of Proxy Holder

as my proxy to vote for the Granting Entity at the Stockholders' Meeting in Washington, D.C., on November 14, 2003, or any adjournment thereof.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of CEO, President, or Vice President

*Not valid unless signed*

\_\_\_\_\_  
Type or print the above-named authorizing official